

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	No. 1:17-CR-2
)	Honorable Leonie M. Brinkema
SCOTT A. FLANDERS,)	Sentencing: April 21, 2017
)	
Defendant.)	

GOVERNMENT’S SENTENCING MEMORANDUM

The government submits this memorandum with respect to the sentencing of the defendant scheduled for September 21, 2017. The United States concurs with the recommendation of the United States Probation Officer that the defendant’s Sentencing Guidelines range should be 10-16 months incarceration and a fine of \$3,000-\$30,000.

In 2010, the defendant and two partners owned a residential investment property that had dropped substantially in value. They had a mortgage loan with Cardinal Bank and wanted the bank to approve a short sale and forgive the remaining balance on their loan. Cardinal Bank approved the short sale, but after the proceeds were applied against the loan, the defendant and his partners still owed the bank more than \$325,000. The bank would not forgive the loan, and the defendant filed for bankruptcy.

Prior to filing for bankruptcy, the defendant had concealed investments of \$100,000 and \$20,400 that he had made in a short-sale real estate investment business. He was concealing the money from Cardinal Bank. When the defendant filed for individual bankruptcy in August 2010, he failed to disclose the concealed assets. Had he disclosed the assets, he would have had \$120,400 more for the bank. Instead, the bank received only \$4,907.45.

The government believes that the defendant, as an attorney, had a heightened duty to be forthcoming with the Court when he filed for bankruptcy. Apparently, the Virginia State Bar agrees, as they suspended the defendant's license for two years. On the other hand, the government acknowledges that this was apparently a one-time act of misconduct by the defendant. Moreover, he has fully admitted his guilt, has paid the \$100,000 in restitution to Cardinal Bank that the government requested, and will bring a check to sentencing to pay the \$20,400 the government seeks in forfeiture. Accordingly, the government requests that the Court impose a fine within the Guidelines range, which the defendant can easily afford and impose whatever additional punishment the Court considers appropriate.

Respectfully submitted,

Dana J. Boente
United States Attorney

By: _____/s/_____
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CERTIFICATE OF SERVICE

I hereby certify that on April 14, 2017, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing (NEF) to all counsel of record.

_____/s/_____
Jack Hanly
Assistant United States Attorney